

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:3265

ANSWERED ON:06.09.2007

DISPARITY IN MRP OF NON- SCHEDULED MEDICINES

Chowdhury Shri Adhir Ranjan

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

e:

- (a) the magnitude of medicines produced in Tax Holiday States vis-À-vis the national production of medicines;
- (b) the percentage difference of maximum retail price (MRP) of non- scheduled medicines between those manufactured in Tax Exempted States vis-a-vis- those manufactured in the rest of the country; and
- (c) the steps taken by the Government to reduce the disparity in public interest by implementing the recommendations of Economic Advisory Council despite approval by the PM in the matter ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS & MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

- (a): The production details of individual states is not maintained in this Department.
- (b): In respect of drugs, which are not covered under the Drugs (Price Control) Order, 1995 i.e. non-scheduled formulations, the manufacturers are free to fix the prices by themselves without seeking approval of Government/National Pharmaceutical Pricing Authority (NPPA). Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulations, cost of excipients, cost of R&D, cost of utilities/packing materials, sales promotions cost, trade margins, quality assurance cost, landed cost of imports etc. It is a fact that in respect of non-scheduled formulations, prices of various brands are different although composition and weight/pack size are same because price on non-scheduled formulations are fixed by the manufacturers based on economics of production which differ from case to case. The prices of non-scheduled formulation packs with different brand name vary even if they are manufactured in the same place/city. NPPA has no control over the fixation of prices of non-scheduled drugs/formulations as per the provisions of the DPCO, 1995. So far NPPA has not received any specific complaint regarding any particular brand with different maximum retail price of non-scheduled medicines between those manufactured in Tax Exempt States vis-À-vis those manufactured in the rest of the country.
- (c): No final decision has been taken by Department of Revenue in the matter.